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The authors show that the rapid increase in the mechanical energy at the command of the United States has been the chief element in our material progress. Interesting, though perhaps above the mark, is the calculation that it would take the labor of three billion slaves to accomplish the work done annually by our energy resources.

The book is a revision of Bulletin No. 102 of the United States National Museum, and it has been improved by the revision. It is written in non-technical language. The style is somewhat labored, but so suggestive and stimulating is the subject-matter that the book should have a wide appeal.

The important contribution of the authors is their insistence on the necessity of viewing coal, petroleum, gas, and water-power as a common source of energy, and their courage in outlining a coördinated plan for energy development.

F. G. TRYON

United States Geological Survey

A History of Life Insurance in the United States to 1870; with an introduction to the development abroad. By Charles Kelley Knight. Philadelphia: University of Pennsylvania. 1920. 160 pp.

A history of life insurance, in this or other countries, is not an easy thing to write. It involves a consideration of many factors, actuarial, economic, and sociological—the mathematical foundation of the business; the development of a successful system of organization and management; and the education or self-education of the public in the uses of such an institution. Most of the historical material thus far published in the United States has been either encyclopedic in character or devoted to the glorious details of the past of some particular insurance company. It remained for some one with an interest in analysis and a judgment of significant detail to sift from the mass of facts the broad outlines in the development of life insurance in the United States.

This, I judge, has been the author's purpose. There are two methods of writing such a history, the topical and the chronological, each of which has its advantages. The chronological method has been chosen. An intimation is given in the preface that a process of selection is followed in order to place in relief the history of enduring features of life insurance, and also the "false practices that might recur at some future time"; the "disreputable practices that have been permanently abandoned" have been omitted.

The book contains five chapters: the first is devoted to the development of life insurance abroad, and the remainder are confined to the United States. This preliminary chapter does not carry foreign developments down to the present time or involve any comparison of American and European conditions, but gives, rather, a background of developments in the field before 1800—the basis on which our early attempts to insure lives were built. This period is divided into four stages: (1) the period of experiment; (2) the speculative assessment period; (3) the era of scientific progress; and (4) the advent of modern life insurance. In this early period the foundation of the science of life contingencies was laid, the plan of tontine contracts was developed, and assessment insurance was begun.

The remaining four chapters of the book are devoted to life insurance developments in the United States prior to 1870. Chapter II covers a fairly dull and uninteresting part of this development, the years to 1809. The great commercial development of the business had not begun; some insurance was written, on a short term basis, by individual underwriters and by religious societies; some corporations had actually written life insurance, but only as an adjunct to the fire and marine business for which, principally, they were organized, and they made no attempts to *solicit* life risks. The first American mortality table appeared in this period, published in 1789 by Professor Wigglesworth, though it was not used at this time as a basis for calculating life insurance values.

Chapter III covers the years 1809-43, called by Dr. Wright the proprietary period. Commercial life insurance, by stock companies, on a sound actuarial basis was begun, but methods of selling insurance were little developed and the amount of insurance written was small.

I suspect that most readers of this book will find the greatest interest in Chapters IV and V, covering respectively the years 1843-61 and 1861-70. In the first period came the great development of mutual insurance, with the formation of companies such as the New England, New York Life, and Mutual Life, companies which are still writing insurance and which have been highly successful. It is particularly interesting to note during this period the high correlation between new companies established and business prosperity. During the later 40's a great number of new companies were organized, but very few of them are in existence today. These facts emphasize the three-fold character of successful life insurance—actuarial soundness, competent management, and ability to secure business. We have an excellent counterpart in the development of life insurance since 1900.

The period 1861-70 found the companies equipped with most of the instruments of successful underwriting—financial soundness, an agency system, and a fund of experience gained through the successes and failures of previous years. The coming of the Civil War emphasized the need for life insurance and flooded the country with securities seeking investment. The result was a tremendous growth in the development of the business.

It is to be regretted that the story ends with 1870. At this date the really great developments in American life insurance were just beginning. The great growth of fraternal insurance was still to come, and the liberalizing of the policy contract was scarcely begun (and the contract is one of the best things about the business today—such a complicated document that not one prospect in a hundred understands it and yet the interests of the insured are very thoroughly guarded by it). Finally, ending as it does in 1870, the story must leave out any but a bare glimpse at the personalities of a few great men who have helped to mold the character of the institution. Elizur Wright was just coming into prominence as this story closes, but American life insurance history cannot be fully told without extended reference to his great work as Insurance Commissioner in Massachusetts.

BRUCE D. MUDGETT